

You Xuan Co., Ltd.

1534th Commissioners' Meeting (2021)

Case: You Xuan violated the Fair Trade Law by posting the false claim of "US OLSMO PURE NSF/UKAS double-certified CTO activated carbon (chunks)" to market its product on shopee.com

Keyword(s): False advertisement, NSF certification, activated carbon

Reference: Fair Trade Commission Decision of April 7, 2021 (the 1534th Commissioners' Meeting); Disposition Kung Ch'u Tzu No. 110021

Industry: Retail Sale of Other Household Appliances and Goods in Specialized Stores (4749)

Relevant Law(s): Article 21 of the Fair Trade Law

Summary:

1. The FTC received complaints that You Xuan Co., Ltd. (hereinafter referred to as "You Xuan") posted a statement claiming that its "US OLSMO PURE NSF/UKAS double-certified CTO activated carbon (chunks)" had passed the "NSF certification," but the NSF certification database showed that the product had not been certified. Therefore, it was false advertising in violation of Article 21 of the Fair Trade Law.
2. Findings of the FTC after investigation:
The claim of passing NSF certification in the advertisement gave people the impression that the product in question had been certified by the US National Sanitation Foundation (NSF). It made consumers to believe that the product in question was better than other uncertified water-purifying devices. However, You Xuan admitted that when it checked the NSF certification database and the OLSMO PURE website, there was no proof at all that the product has passed the NSF certification. Although You Xuan claimed that the NSF and UKAS certification marks were printed on the boxes and the packaging of the product also carried the wording of "NSF-listed component" when it purchased the product in question from Taiwan Double Plastic Injection Industrial Co., Ltd. (hereinafter referred to as "TDPI") in 2018, the company could not provide any evidences. In addition, TDPI, the importer, also confirmed that it could not provide the certificate or any concrete evidences to prove that the product had been certified and

certification validity.

3. Grounds for disposition:

- (1) The claim of “US OLSMO PURE NSF/UKAS double-certified You Xuan CTO activated carbon (chunks)” posted by You Xuan when marketing the product on the shopee shopping website was a false and misleading representation with regard to the quality of product and could affect transaction decisions. It was in violation of Article 21(1) of the Fair Trade Law.
- (2) After assessing the motivation and purpose behind You Xuan’s unlawful act, the inappropriate benefit expected, and other factors, the FTC cited the first section of Article 42 of the Fair Trade Law and imposed an administrative fine of NT\$50,000 on the company.

Appendix:

Yow Shiuan Co., Ltd.’s Uniform Invoice Number: 16651892

Summarized by: Hsiao, An-Ju; Supervised by: Chen, Jen-Ying